



DON SIEGELMAN
Governor

Alabama Medicaid Agency

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MIKE LEWIS
Commissioner

June 1, 2002

Provider Notice 02-07

TO: Medicaid Pharmacists, Physicians, FQHCs, RHCs, and Nursing Homes

RE: Over-the-counter (OTC) dispensing fee

Effective June 14, 2002 the Alabama Medicaid Agency will allow pharmacy providers to be paid a dispensing fee of \$5.40 for covered OTC products. The Administrative Code Section 560-X-16-.06. has been revised so that OTC pharmacy claims will be processed using the same reimbursement as legend drugs.

The Medicaid Agency appreciates the pharmacist's involvement and commitment in shifting of brand and generic products to OTC alternatives when clinically appropriate. OTC utilization will be monitored closely over the next year to determine if there is, indeed, shifting of product selection to OTC medications. If there does not appear to be a marked growth after one year, the policy for OTC dispensing fees will be reviewed at that time.

If you should have questions regarding this notice, please contact the Program Management Unit at (334) 242-5050.

Mike Lewis
Commissioner

Reminder:

Pharmacy claims submitted that are not in accordance with Medicaid rules and regulations may be subject to recoupment.

Distribution:

Alabama Independent Drugstore Association
Alabama Pharmacy Association
Alabama Optometric Association

Alabama Pharmacy Coop
Alabama Retail Association

State of Alabama Medical Association
Medical Association of the State of Alabama

Our Mission - to provide an efficient and effective system of financing health care for our beneficiaries.